



PUBLIC NOTICE

Federal Communications Commission
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May 6, 2002

**PETITION FOR WAIVER OF THE INTERNATIONAL SETTLEMENTS POLICY FOR
A CHANGE IN ACCOUNTING RATE FOR INTERNATIONAL MESSAGE
TELEPHONE SERVICES WITH TELEFONOS DE MEXICO S.A. DE C.V.**

**Pleading Cycle Established
ISP-WAV-20020322-00012**

Comments/Petitions Due: June 3, 2002

Responses/Oppositions Due: June 17, 2002

WorldCom, Inc. ("WorldCom") has filed a petition to waive the Commission's International Settlements Policy ("ISP") to lower the accounting rate for International Message Telephone Services ("IMTS") between WorldCom and its correspondent in Mexico, Telefonos de Mexico S.A. de C.V. ("Telmex").¹ WorldCom requests a waiver of the ISP in order to implement a proposed settlement rate reduction between WorldCom and Telmex for traffic exchanged between the United States and Mexico for the years 2000, 2001, 2002, 2003.

The average settlement rate currently in effect with Telmex is US \$0.19 per minute. WorldCom states that this proposed agreement would reduce settlement rates with Telmex as follows. First, for the period January 1, 2000 through December 31, 2000, the proposed average total per minute accounting rate would be US \$0.38 split evenly in both directions. For the period January 1, 2001 through December 31, 2001, the proposed average total accounting rate would be reduced to US \$0.31 split evenly, resulting in a settlement rate of US \$0.155 in each direction. For the period January 1, 2002 through February 28, 2002, the proposed average total accounting rate would be reduced to US \$0.27 split evenly, for a settlement rate of US \$0.135 in each direction. For the period March 1, 2002 through December 31, 2003, different settlement rates would apply for rates paid by WorldCom to Telmex ("southbound") and those paid by

¹ *Petition for Waiver of the International Settlement Policy for a Change in Accounting Rate for International Message Telephone Services with Telefonos de Mexico S.A. de C.V.* (filed Mar. 21, 2002). (We note that the WorldCom petition was inadvertently assigned a modification file number under the International Bureau Filing System ("IBFS"). That file number is superseded by the ISP number designated above.)

Telmex to WorldCom ("northbound"). For southbound traffic, the proposed settlement rates would be divided into three separate rates for different locations in Mexico. All northbound traffic would be settled at a rate of \$0.055 per minute. The proposed settlement rate reductions are detailed in the Supplementary Data Statement of WorldCom's petition. See Attachments.

WorldCom states that a waiver of the ISP for the proposed settlement rate arrangement with Telmex is in the public interest. WorldCom argues that the proposed arrangement is tailored to reflect the different levels of competition for terminating international traffic to different locations in Mexico and will promote the public interest by moving settlement rates below benchmarks and closer to cost-based levels on the U.S.-Mexico route. WorldCom states that it anticipates that the proposed arrangement will result in significant cost savings for the U.S. industry for the years 2001 through 2003.

According to WorldCom, the proposed arrangement precludes the abuse of market power because Telmex has offered the same term and conditions to other U.S. carriers. WorldCom notes that, as a fundamental part of the proposed arrangement, Telmex has committed to request the elimination of existing regulations in Mexico to ensure fully competitive negotiations of international termination rates on the U.S. Mexico route by January 1, 2004.

Pursuant to Sections 1.415 and 1.419 of the Commission's rules, 47 C.F.R. §§ 1.415, 1.419, interested parties may file comments on or before **June 3, 2002**, and reply comments on or before **June 17, 2002**. Any filings should reference the file number of this proceeding. **An original and four copies** of all pleadings must be filed in accordance with Section 1.51(c) of the Commission's rules, 47 C.F.R. § 1.51(c).

If filed by hand delivery, the Commission's contractor, Vistronix, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building.

If filed by mail, the following procedures should be followed: Commercial Overnight Mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. **U.S. Postal Service first-class mail, Express Mail, and Priority Mail** should be addressed to 445 12th Street, SW, Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

The Commission's duplicating contractor, Qualex International, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; e-mail: qualexint@aol.com; facsimile: (202) 863-2898; phone: 202 863-2893.

- (1) George Li, Policy Division, International Bureau, 445 12th Street, S.W., Room 6-A761, Washington, D.C. 20554; e-mail: gli@fcc.gov;

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- (4) Gardner Foster, Policy Division, International Bureau, 445 12th Street, S.W., Room 3-A625, Washington, D.C. 20554; e-mail: gfoster@fcc.gov.

For further information, contact Gardner Foster, International Bureau, at (202) 418-1460.